

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (HOUSTON)

IN RE: . Case No. 24-90004
AUDACY, INC. . Chapter 11
Debtor. . 515 Rusk Street
 . Houston, TX 77002
 . Monday, January 8, 2024
 . 2:00 p.m.

TRANSCRIPT OF FIRST-DAY MOTIONS HEARING
BEFORE THE HONORABLE CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY COURT JUDGE

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Also Present:

SCOTT FEDERICI
Sessa Capital

MARK CONLAN, ESQ.
Gibbons P.C.



1 (Proceedings commence at 2:00 p.m.)

2 THE COURT: Good afternoon, everyone. This is Judge
3 Lopez. Today is January 8th. I'm going to call the
4 two o'clock case, 24-9004, the jointly administered cases of
5 Audacy, Inc. And before I take appearances, I think I can
6 still tell everyone happy New Year, still early enough in the
7 year. I hope everyone had a great holiday season and a happy
8 New Year.

9 It is my understanding that debtors' counsel, their
10 lines have been unmuted, and in a moment, I will unmute other
11 lines. If you know you wish to make an appearance, why don't
12 you hit "five star"? There's about 90 people on the line now
13 and probably growing. So I've muted the entire line. Once I
14 unmute your line, your line will be completely unmuted. For
15 those who have made requests to appear, pro hac vice, we're
16 getting to them. But to the extent we didn't get to yours
17 specifically, you're more than welcome to appear today at this
18 first day hearing.

Finally, I would note if you don't need to speak today, but you wish to make an appearance, if you just jump on the Southern District of Texas website, find my home page, you'll find a place to make electronic appearances and you'll find a link to the specific case. I'd ask that you make an electronic appearance for purposes of today.

With that said, who should I turn this over to to

1 make an appearance on behalf of the debtors?

2 MS. RECKLER: Good afternoon, Your Honor, and happy
3 New Year to you as well. Caroline Reckler of Latham & Watkins
4 as proposed counsel for the debtors, Audacy, Inc. and its
5 affiliates.

6 THE COURT: Okay. Good afternoon.

7 Is there anyone else whose line I've unmuted who
8 wishes to make an appearance before I start to unmute other
9 lines? Alrighty. I'm going to just unmute as I go in the
10 order. Here's a 212 number.

11 MR. STAMER: Your Honor, can you hear me?

12 THE COURT: Just fine.

13 MR. STAMER: Good afternoon, and again, happy New
14 Year, Your Honor. Mike Stamer from Akin Gump on behalf of the
15 Ad Hoc Second Lien Group.

16 THE COURT: Good afternoon, Mr. Stamer.

17 Okay. Here's another 212 number.

18 MR. WILLIAMS: Good afternoon, Your Honor. Can you
19 hear me okay?

20 THE COURT: Just fine.

21 MR. WILLIAMS: Okay, great. It's Matthew Williams of
22 Gibson, Dunn & Crutcher, counsel to the 1L Ad Hoc Group.

23 THE COURT: Good afternoon.

24 MR. WILLIAMS: Good afternoon.

25 THE COURT: Here's a 202 number.

1 MR. NGUYEN: Good afternoon, Your Honor. Ha Nguyen
2 for the U.S. Trustee.

3 THE COURT: Okay. Good afternoon, Mr. Nguyen.

4 Anyone else wish to make an appearance? Please hit
5 "five star." One more. Here's a 212 number.

6 MR. TRUST: Good afternoon, Your Honor. This is
7 Brian Trust at , Mayer Brown. Good afternoon. And again, to
8 reiterate, happy New Year to everybody. We are serving as
9 counsel to DZ Bank, the agent under the securitization program,
10 as well as the agent under the proposed continued
11 securitization program as well. Thank you.

12 THE COURT: Good afternoon.

13 All right. One more, and it's a 713 number.

14 MR. DANFORD: Good afternoon, Your Honor. James
15 Danford. Brian Trust beat me to the punch here with Mayer
16 Brown, but his pro hac was signed just now at Docket 62, and
17 then Dabin Chung from our office is also part of the group, and
18 her pro hac was signed at Docket 63. So I will leave it in the
19 capable hands of Brian and Dabin, but just wanted to make my
20 appearance as well.

21 THE COURT: Okay. I think that covers all the --
22 everyone who has requested to make an appearance. I'll check
23 it periodically, but with that being said, I'll turn things
24 over to the debtors.

25 MS. RECKLER: Thank you, Your Honor. First off, for

1 the record, again, it's Caroline Reckler of Latham and Watkins,
2 the proposed debtors' counsel.

3 I want to thank Your Honor and your chambers for
4 accommodating us today. I know that we've been reserving time
5 on your calendar for quite a few months, but we've used that
6 time to work with our key stakeholders very efficiently. In
7 fact, I believe that we are likely to have a largely
8 uncontested first day hearing today, and hopefully a smooth
9 prepackaged case, thanks in large part to the broad consensus
10 that we have been able to reach with both groups of the
11 debtors' lenders.

12 As Your Honor will hear shortly, we've begun
13 solicitation of a plan of reorganization that is supported by
14 82 percent of our first lien debt holders and 73 percent of our
15 second lien debt holders. And we do not plan to impair general
16 unsecured creditors. I'll provide more detail on the proposed
17 plan shortly.

18 I would also like to thank Mr. Nguyen of the Office
19 of the United States Trustee for working constructively with us
20 on the orders that we will be asking Your Honor to approve
21 today. I am pleased to report that we've been able to work
22 through all of the U.S. Trustee's comments cooperatively, and I
23 hope that will be indicative of a smooth hearing today. Since
24 this morning, we've received a few comments to the first day
25 orders. I believe we resolved a comment to the DIP order, and

1 we were working through one comment on the cash management
2 motion that we hope to address during the hearing.

3 I'd also like to thank the teams at Gibson, Dunn and
4 Akin, led by Mr. Williams, Ms. Gains, and Mr. Scheffer,
5 Mr. Stamer, Ms. Rubin *[sic]*, and Ms. Miller, respectively.
6 They have worked incredibly hard and constructively with us
7 over many months. We appreciate their professionalism and
8 collaboration, even when we disagree.

9 I am joined here virtually today with certain of the
10 members of the debtors' management team, including their chief
11 executive officer, Mr. David Field, their chief financial
12 officer, Richard Schmaeling, their general counsel and
13 executive vice president, Andrew Suter. And I believe the
14 management team is on the video with us today.

15 Also with me are our co-counsel, John Higgins, Shane
16 Johnson, and Megan Young-John, and my colleagues from Latham &
17 Watkins, including a number of my more junior colleagues that
18 you will be hearing from, some of whom, I think three actually,
19 are presenting in court for the first time today.

20 We also have Mr. Gray of FTI Consulting, our first
21 day declarant, and also one of the DIP declarants and his
22 colleagues at FTI Consulting, who have been acting as the
23 debtors financial advisors. We have Mr. William Evarts, our
24 other DIP declarant and his colleagues at PJT Partners, who are
25 advising the debtors as investment banker.

1 Before presenting first day motions, I wanted to give
2 the Court a brief overview of the debtors, including how we got
3 here, who we are, and where we are going. If you could give my
4 colleague, Ms. Chapman (phonetic), permission to share her
5 screen, it will be helpful to have a brief presentation pulled
6 up now.

7 THE COURT: You got it. Ms. Chapman, you're going to
8 have to help me. There's a number of parties that are here.
9 If I could just have you wave, just turn your camera on for a
10 second and wave. I got you. Thank you. There we go.

11 MS. RECKLER: Thank you, Your Honor.

12 A lot of what I will be talking about is covered in
13 the first day declaration of Mr. Gray, who has been deeply
14 involved with the debtors planning and operations in the months
15 leading up to today in his role as senior managing director at
16 FTI. His declaration, and I'll turn to the declaration
17 shortly, but his declaration appears at Docket Number 26.

18 Your Honor, starting with three main questions, who
19 are the debtors? How did we get here? And where are we going?
20 Audacy is the second largest radio broadcaster in the United
21 States. We have over 220 stations in 45 markets nationwide.
22 And as you can see from the map on the next slide, we are
23 heavily weighted to the largest U.S. markets. The company was
24 founded in 1968 at the dawn of the FM radio industry. The
25 company went public in 1999. At that time, it was known as

1 Intercom and in 2017 acquired CBS radio.

2 Here in Houston, Your Honor may have heard of Mix
3 96.5 or 95.7 The Spot, if Your Honor is a fan of pop music,
4 100.3 The Bull, for some Texas country, SportsRadio 610,
5 whether you're an Astros fan, Texans fan, Rockets fan, or
6 anything in between. In fact, Audacy is the flagship station
7 for the Texans, and I know they enjoyed a big victory on
8 Saturday.

9 All that is to say, Audacy is big in Houston, but to
10 give Your Honor a sense of scale, this is a national company as
11 well. Audacy's markets provide coverage of 60 percent of the
12 United States population ages 12 and up. I grew up in New York
13 City and got my news from 1010 WINS and sports updates from
14 WFAN.

15 Audacy has three of the top six most listened to
16 music stations in America. It has 118 million monthly music
17 listeners, and in 2022, it represented 48 percent of listening
18 in the all sports radio format, according to Nielsen's rating
19 of top 10 radio groups.

20 In news, Audacy had 81 percent of listening in the
21 all-news radio format in 2022. Its next closest competitor
22 only had 10 percent by way of comparison.

23 But Audacy is not just a radio company. While the
24 company got its start in radio, it has spent the last several
25 years investing heavily in digital media, podcasts, streaming,

1 and sports analytics. Your Honor may have heard of We Can Do
2 Hard Things with Glennon Doyle, or Rotten Mango podcast, or the
3 CBS Sports Podcast Network. The idea here is to capitalize off
4 of the trend in consumer audio listening habits.

5 While Americans listen to more live and recorded
6 audio each day than ever, up 15 percent in 2022 as compared to
7 the pre-pandemic, a growing percentage of that is digital
8 listening. Audacy has an advantage in this space. It can
9 leverage its existing radio stations, which are already
10 producing popular content, and deliver them to listeners
11 digitally. And it has aggressively built its podcasting
12 capabilities. Today, Audacy is the second largest radio player
13 in the podcasting market, and its podcasts have approximately
14 185 million monthly downloads.

15 So you might be asking yourself, based on everything
16 I've just said, why are we here? If there's one chart that
17 answers that question, it's this one. Between 2019 and 2020,
18 radio advertising markets where Audacy competes lost 1.5
19 billion in advertising revenue. As Your Honor likely
20 remembers, there was almost no daily commuting to the office in
21 2020 when folks were locked down due to COVID-19. For radio
22 broadcasters, that meant the prime time audience disappeared
23 virtually overnight.

24 Let me show you on the next slide how that translated
25 to Audacy, 67 percent reduction in adjusted EBITDA between 2019

1 and 2020. And while many of us are back in the office, radio
2 advertising has not yet returned with the same strengths as
3 before. If you look at 2021 and 2022 of this chart, the amount
4 of advertising revenue is still lower than 2019, and Audacy is
5 still down almost 60 percent compared to 2019.

6 But part of that is COVID. Large markets where
7 Audacy is concentrated have lower office attendance on average.
8 But part of it is a shift in advertising dollars to new forms
9 of digital media. As I mentioned earlier, Audacy is well-
10 positioned to take advantage of that shift. It's heavily
11 invested in digital media over the past few years.

12 But those investments are taking longer to play out
13 than can be sustained under the company's current capital
14 structure. What does that capital structure look like? Audacy
15 has \$1.9 billion of pre-positioned funded debt. 853 million of
16 that is owed to the first lien lenders, and that's made up of a
17 \$220 million revolver and a \$632 million term loan. One
18 billion of that is owed under two tranches of debt. The first
19 lien debt and the second lien debt share collateral, and
20 there's an inter-creditor agreement governing that
21 relationship. And on top of that, Audacy has a \$75 million
22 receivable financing facility.

23 Overall, Audacy's funded debt required \$103 million
24 of interest payments in 2022 and would have required \$120.6
25 million of interest payments in 2023, but for lender

1 forbearances.

2 As I'll cover in a moment, we are entering Chapter 11
3 with a deal with both the first lien and second lien lenders,
4 and we have an agreement with the agent on the receivables
5 facility to continue and ultimately upsize that facility.

6 So we have consensus with the lenders holding a
7 supermajority of all of the funded debt instruments that you
8 see on this slide. But that consensus did not come out of
9 nowhere. We have been in negotiations with the first lien and
10 the second lien lenders for over six months, starting in the
11 late spring of 2023. Those negotiations at time were heated in
12 part because of disputes over the scope of liens that secured
13 the first and second lien collateral and the value of any
14 unencumbered assets.

15 By way of example, the first lien and second lien
16 debt documents do not provide for liens on real estate owned by
17 Audacy, the equity value of the receivable facility
18 securitization entity, or certain podcasting assets. And in
19 negotiations, we needed to work out how reorganized Audacy's
20 equity would be allocated among the first lien and second lien
21 holders. Fortunately, we were able to bridge the gap on those
22 issues, and we now have a plan that enjoys broad consensus from
23 both groups.

24 But I wanted to share with Your Honor a bit of the
25 background regarding the issues that needed to be resolved

1 before we could be here with consensus. On the next slide,
2 Your Honor, you will see a simplified version of Audacy's
3 corporate structure. Of the entities that you see on this
4 chart, only one, Audacy Receivables LLC, in the bottom row on
5 the left, is not a debtor. That is because Audacy Receivables
6 LLC is a SPV designed to facilitate the AR securitization
7 financing that has been a longstanding source of liquidity for
8 the debtors. But other than that, all Audacy entities are in
9 Chapter 11. Audacy Inc. is the public parent. Audacy Capital
10 Corp. is the issuer or borrower under the outstanding funded
11 debt.

12 As Your Honor can see, virtually all of Audacy
13 entities are liable on the \$1.9 billion secured debt in some
14 way, or will be asked to pledge their assets to support the DIP
15 financing that the debtors require.

16 Turning now, Your Honor, to the key parties that you
17 will be hearing from in this restructuring, Audacy has been
18 represented by Latham & Watkins for many years, and we've spent
19 the better part of the last year preparing for these Chapter 11
20 cases and working on our strategy. And we are proposed counsel
21 to the debtors, along with Porter Hedges.

22 FTI Consulting and PJT Partners have also been
23 representing Audacy as financial advisor and investment banker,
24 respectively. As I mentioned, Audacy has engaged with
25 representatives of its 1L and 2L lenders. An ad hoc group of

1 first lien lenders is represented by Mr. Stamer -- excuse me,
2 by Mr. Williams and his team and Greenhill, and they enjoy
3 support of 82 percent of their group.

4 An ad hoc group of second lien lenders is represented
5 by Akin and Evercore. An estimated 73 percent of the second
6 lien notes are in that group. And the DZ facility is
7 represented by Mayer Brown.

8 The negotiations with the lender groups were hard
9 fought by all involved, and that competitive tension between
10 Audacy's lenders led to deal terms that were favorable to the
11 company. Those negotiations resolved the collateral issues
12 that I referred to earlier. The restructuring support
13 agreement reflects that agreement, and it was signed by the
14 debtors on January 4th.

15 The restructuring support agreement provides for an
16 approximately \$1.6 billion reduction in Audacy's total debt.
17 Audacy's balance sheet will go from approximately \$1.9 billion
18 of funded debt prepetition to approximately \$350 million upon
19 exit. The restructuring support agreement also provides for
20 the equitization of all but \$225 million of first lien loans
21 and full equitization of a billion dollars of second lien
22 notes. Funding for operations and Chapter 11 costs will be
23 provided through a \$32 million DIP loan and a \$25 million
24 upsize of the AR facility.

25 Equity of reorganized Audacy will be allocated 85

1 percent to holders of first lien loans and 15 percent to
2 holders of second lien notes. Very significantly and very
3 important to the company, the management team, and the board is
4 the fact that unsecured creditors will be unimpaired.

5 Solicitation on the plan began on January 5th, and
6 we're proposing a voting deadline of February 12th. We
7 appreciate that your chambers gave us a February 20th
8 confirmation hearing date, and if confirmed, the plan would be
9 consummated as soon as FCC regulatory is received, and we
10 recognize that that may take a few months post-confirmation.

11 The restructuring support agreement also contemplates
12 DIP financing. We will cover the DIP in greater detail, but to
13 give Your Honor a preview, we will be seeking a \$32 million
14 DIP, all of which is new money. There is no rollup feature.
15 All first lien lenders are eligible to participate in the DIP.
16 Certain members of the first lien ad hoc group have agreed to
17 backstop the DIP and exit facility for a 3 percent fee.

18 As I mentioned, the AR facility will be upsized to
19 \$25 million, and we're asking Your Honor to approve the DIP and
20 the upsize in the AR facility today. But with that financing,
21 the debtors expect to have sufficient liquidity to operate
22 their business and to fund these Chapter 11 cases.

23 Your Honor, the exit financing is also contemplated
24 by the restructuring support agreement, and we enjoy the fact
25 that we know we have that exit financing in hand now and don't

1 have to go out to the market to secure it. Upon exit, an
2 estimated \$25 million of DIP loans will be rolled into an exit
3 facility with a five-year maturity. Again, certain members of
4 the first lien ad hoc group have agreed to backstop the exit as
5 DIP lenders, but not required to roll their DIP claims into the
6 exit facility claims. An additional \$225 million of exit
7 facility will be comprised of first lien loan take-back debt.
8 The amount of the exit facility will scale to ensure that the
9 debtors have \$50 million of cash on their balance sheet upon
10 emergence, which we view as essential to the long-term
11 business.

12 So where are we going from here? As I mentioned, the
13 company signed the RSA on January 4th and started solicitation
14 on January 5th. The RSA contemplated a prepackaged Chapter 11
15 plan, and we are well on our way. We hope that we will move to
16 a consensual and efficient trip through Chapter 11.

17 Audacy filed our petitions yesterday, and we hope
18 that Your Honor will approve the emergency release today,
19 January 8th, on various motions so the company continue to
20 operate as smoothly as possible, including by funding payroll
21 for employees and approving DIP financing that is needed to
22 continue operations. We also are seeking conditional approval
23 of our disclosure statement today and approval of our
24 solicitation procedures.

25 Under the RSA, the DIP financing needs to be in place

1 by January 10th, so we are hopeful we will convince Your Honor
2 to approve it. The formal voting deadline to participate --
3 excuse me, the formal voting deadline is February 12th under
4 the debtors solicitation procedures. The RSA then requires
5 that we have planned confirmation no later than February 21st.
6 While we have started the process to obtain FCC approval, that
7 process may take a few months post-confirmation, and we have
8 180 days to obtain this regulatory approval.

9 Your Honor, that concludes my remarks. I don't know
10 if others want to make a statement on the record, but if Your
11 Honor wants to take a break and turn to others, after that, I
12 would like to turn to the evidence and the declarations that
13 we'd like to submit into evidence for purposes of this hearing
14 today.

15 THE COURT: Okay, let me just open it up. Does
16 anyone else wish to make any form of brief opening before we
17 get into the evidence?

18 MR. STAMER: Your Honor, can you hear me?

19 THE COURT: Just fine.

20 MR. STAMER: Okay. Again, it's Mike Stamer from Akin
21 Gump on behalf of the Ad Hoc Second Lien Group. I am joined by
22 my colleagues, virtually, Jason Rubin and Melanie Miller.

23 I rise to make a very efficient presentation. Rather
24 than stand up after each of the material motions, if it's okay
25 with Your Honor, I'll just quickly put our support on the

1 record.

2 THE COURT: Okay.

3 MR. STAMER: Your Honor, and I'll do my best to
4 either not repeat what debtor's counsel said, or at least limit
5 my repeating as much as possible.

6 Your Honor, we do represent an Ad Hoc Second Lien
7 Group. The members of the Second Lien Group hold in excess of
8 70 percent of the principal amount of the second lien loans.
9 And we are a party -- the members of the Ad Hoc Second Lien
10 Group are a party to the restructuring support agreement.

11 Your Honor, the negotiations that led to the signing
12 of the RSA and the filing of Audacy's prepackaged consensual
13 Chapter 11 cases were, as Ms. Reckler said, they were lengthy,
14 they were at times spirited, but at all times they were
15 conducted at arm's length and in good faith.

16 Your Honor, we have had the opportunity to review and
17 comment on each of the first day motions currently before the
18 Court. And the Ad Hoc Second Lien Group supports the relief
19 requested and the entry of the proposed forms of order.

20 Your Honor, I'm happy to answer any questions or
21 elaborate further. I leave it to Your Honor.

22 THE COURT: Yep. Thank you very much, Mr. Stamer.

23 MR. STAMER: Thank you.

24 THE COURT: Anyone else wish to make any statements?

25 MR. WILLIAMS: Yes, Your Honor. Can you hear me?

1 THE COURT: Just fine.

2 MR. WILLIAMS: Great. Hi, it's Matthew Williams
3 again at Gibson, Dunn & Crutcher. With me are my colleagues,
4 AnnElyse Gains and Tommy Scheffer.

5 As you heard earlier, we represent the Ad Hoc First
6 Lien Lender Group. Again, Your Honor, I'll be very brief as
7 well.

8 You know, our group holds over \$700 million or over
9 82 percent of the first lien loans. Our 2019 statement was
10 filed earlier today. I think it's Docket Number 47. Your
11 Honor, as you heard from the debtors and from the 2L lenders as
12 well, over the summer of last year, the 1L lender group, the 2L
13 lenders, and the company all got -- or the lenders got
14 restricted and we began discussions with the debtors. The
15 mutual goal of those discussions was to holistically address
16 the company's burdensome capital structure and its inability to
17 make its upcoming interest payments. After extensive good
18 faith and sometimes contentious negotiations with the
19 representatives for the company, as well as for the second lien
20 lenders, all the parties were able to reach the global
21 consensus that I think you've got that debtor is currently
22 soliciting in its prepackaged plan.

23 As the debtors noted, Your Honor, as part of that
24 plan, right, if confirmed the 1Ls would convert their 1L debt
25 into a combination of takeback debt and reorg equity. The 2Ls



1 would convert their 2L debt into a combination of reorg equity
2 and warrants, and unsecured creditors are importantly less
3 unimpaired. In addition, Your Honor, as Ms. Reckler noted, as
4 part of the restructuring, my clients have agreed to provide a
5 \$32 million new money DIP, and upon exit from Chapter 11, roll
6 the vast majority of that DIP into first out exit financing.
7 And so therefore, the company will know that it's got money
8 both during and after the case to run the company.

9 Your Honor, we put in a lot of hard work to get where
10 we are today. The vast majority of our clients were restricted
11 for an extended period of time while we negotiated this
12 restructuring. Over the last eight months, we've had to
13 resolve dozens and dozens of complex business and legal issues.
14 But, you know, we're happy and it's a testament really to the
15 debtor's hard work here that we got to where we are today. The
16 company, its management, its professionals were always helpful
17 and always urging us to get to a deal and urging the 2Ls to get
18 to a deal. And we think that through those efforts, we've
19 gotten there and it's going to then work in the benefit of the
20 go forward business, its employees and all of its stakeholders.

21 And still, while there's a lot of work to do to get
22 the confirmation, we look forward to continuing to work with
23 the 2Ls and the debtors to get there. And we think the
24 debtor's prepackaged plan will get us there in due course.
25 That's really all I had to say, Your Honor. I'm happy to

1 answer any questions.

2 THE COURT: Thank you very much.

3 Anyone else?

4 MR. WILLIAMS: Sure.

5 THE COURT: Okay, Ms. Reckler, I'll turn it back over
6 to you.

7 MS. RECKLER: Thank you, Your Honor. And it's
8 Caroline Reckler again for the record. As a housekeeping
9 matter, Your Honor, I'd like to offer four declarations into
10 evidence. The first declaration is that of Heath Gray, senior
11 managing director at FTI Consulting, the debtors financial
12 advisor. That declaration can be found at Docket Number 26.
13 Your Honor, would you like to take these one at a time or
14 should I go through the remaining three?

15 THE COURT: Let's go through the remaining three.

16 MS. RECKLER: Your Honor, the second is also a
17 declaration of Mr. Heath Gray in support of the debtor's DIP
18 financing motion and securitization program motion. This
19 declaration is at Docket Number 19. The third is a declaration
20 of William Evarts, a managing director at PJP Partners, the
21 debtors proposed investment banker, also in support of the
22 debtor's DIP financing motion and securitization program
23 motion. That declaration is a Docket Number 20. And the
24 fourth is the declaration from Alex Warso of Epiq, our
25 solicitation and noticing agent. And that declaration can be

1 found at Docket Number 5-2.

2 THE COURT: Any objection --

3 MS. RECKLER: All three witnesses are available on
4 video for cross-examination, if necessary.

5 THE COURT: Does anyone have any objections to the
6 admission of the aforementioned declarations for purposes of
7 today's hearing? Just checking. Okay. They are admitted.

8 MS. RECKLER: Thank you, Your Honor. And Your Honor,
9 before we turn to the first day motions, I'd just like to
10 address two brief housekeeping items with the Court. The
11 first, Your Honor, certain of the motions only seek interim
12 release today and will require us to come back to Your Honor
13 for final approval. I believe these include tax management and
14 our all trade motion, the NOL motion, the interim DIP motion,
15 the dip order, and the securitization program order.

16 As a result, Your Honor, we were hoping to find time
17 with the Court for a second day hearing. If you have any time
18 available on the 5th or the 6th, or we can work with your
19 chambers to find a hearing date and time, whatever is easiest
20 for you.

21 THE COURT: Let's find a time. Why don't we do it on
22 the 5th?

23 MS. RECKLER: Okay.

24 THE COURT: Let's figure this out. Let's see. I'm
25 sorry. If you're there, let me know if this time works. I

1 will make the time. Why don't we go with February 5th at 1
2 p.m.?

3 MS. RECKLER: Thank you, Your Honor.

4 THE COURT: Okay.

5 MS. RECKLER: And lastly, Your Honor, we appreciate
6 the short turnaround between when we filed all of our papers
7 yesterday and today's hearing. So I thought it might be
8 helpful to provide an overview up front of the service and
9 noticing plan that we implemented yesterday.

10 As a threshold matter, the debtors work with their
11 solicitation agent Epiq to discuss the broadest and most robust
12 notice that we could provide to our stakeholders under the
13 circumstances. The debtors served by email all of the first
14 day motions to the core notice parties, and those include the
15 holders of our largest 30 unsecured claims, the first lien
16 agent and its counsel, the indenture trustee and its counsel,
17 the agent for the post-petition securitization program and its
18 counsel, the agent for the DIP facility and its counsel,
19 counsel for the first and second lien ad hoc group, as well as
20 a host of governmental regulatory authorities, including the
21 United States Trustee, the U.S. Attorney's Office for the
22 Southern District of Texas, the IRS, the SEC, state attorney
23 generals for the states in which the debtors operate, and the
24 FCC. Importantly, we had email addresses for over 90 percent
25 of these notice parties, and we're able to provide notice of

1 all the first day motions in addition to any motion specific
2 notice parties.

3 In addition, Your Honor, we recognize that the debtor
4 stakeholders include beneficial owners of second lien notes and
5 holders of Audacy Inc.'s common stock. In an effort to reach
6 such holders, we emailed notice of the first day hearing to the
7 nominees holding positions in DTC for the beneficial owners of
8 the debtor's second lien notes and equity. All nominees were
9 requested where possible to provide notice of the hearing to
10 the beneficial owners of the debtor's debt and equity
11 securities.

12 In addition, to supplement the email notice to nominees or
13 the second lien notes and equity, the debtors also posted
14 notice of today's hearing on LENS, which is DTC legal notice
15 system, which is immediately available to the nominees with
16 positions held through DTC.

17 And finally, Your Honor, before the market opened
18 this morning, the debtors also filed an 8-K detailing the
19 Chapter 11 filing, which included among other things, an
20 overview of the RSA, as well as copies of key documents,
21 including the DIP order and the credit agreement and the
22 amended securitization program documents among others. The 8-K
23 also provided notice of today's hearing and a link to Epiq's
24 case website for the debtors.

25 Taken together, Your Honor, we believe the debtors

1 have provided the most robust notice possible under the
2 circumstances. And we have an affidavit of service on file at
3 Docket Number 50.

4 So Your Honor, unless you have any questions for me,
5 I'd like to pass the virtual lectern to my colleague, Thomas
6 Farfara, for presentation of a consolidated Creditor Matrix
7 motion. And he's one of my colleagues who will be presenting
8 for the first time in court today.

9 THE COURT: No pressure. Yeah. I will turn it over.
10 No questions. Thank you.

11 MS. RECKLER: Thank you, Your Honor.

12 MR. FARFARA: Good afternoon, Your Honor.

13 THE COURT: Good afternoon.

14 MR. FARFARA: For the record, Thomas -- thank you.
15 For the record, Thomas Farfara of Latham & Watkins, proposed
16 counsel for the debtors.

17 The first item on the agenda is joint administration.
18 Thank you for entering that order, Your Honor.

19 The next item on the agenda is the debtors' motion to
20 file a consolidated Creditor Matrix. It is at Docket Number 4.
21 This motion seeks an order first authorizing a consolidated
22 Creditor Matrix and lists of the top 30 unsecured creditors.
23 Second, modifying the requirement to file a list of equity
24 security holders. And third, authorizing the debtors to redact
25 personally identifiable information from natural persons,

1 specifically their names and home and email addresses. We
2 understand that the U.S. Trustee does have some views on this
3 point.

4 First, Your Honor, we believe that filing
5 consolidated lists will help alleviate administrative burdens
6 and costs, as well as eliminate the possibility of duplicative
7 filings and service. Second, Your Honor, by this motion, we're
8 also seeking to modify the requirement that the debtors file a
9 list of and provide notice to all equity holders.

10 Audacy is a large publicly held company and does not
11 maintain a complete list of the beneficial holders of its
12 equity. Filing a list of all shareholders would be burdensome
13 for the company. Instead, the debtors proposed to file a list
14 of the registered equity holders within 14 days, and to only
15 serve those holders.

16 Again, as my colleague, Ms. Reckler just mentioned, we
17 also plan to promptly file an AK. By this motion, finally,
18 Your Honor, we're seeking authority to seal certain personally
19 identifiable information of the debtors, individual creditors,
20 interest holders, employees, and other parties and interests to
21 the extent that they are natural persons. Specifically, we are
22 seeking to redact their names and home and email addresses.

23 While this may raise concerns, the debtors are
24 prepared as noted in the motion and the proposed order, to
25 provide an unredacted version of all filings upon request by

1 email. We believe that this relief is critical to protecting
2 individual creditors and other natural persons from the risk of
3 identity theft, harassment, and other injuries as has been
4 publicly known recently. We believe that this relief has
5 become routine in this jurisdiction and it's appropriate given
6 the risk to individuals of publishing their addresses in a
7 public forum.

8 Unless Your Honor or anyone else has any questions,
9 we would respectfully request that you enter the proposed
10 order.

11 THE COURT: Anyone wish to be heard?

12 Okay. Before the Court is a request, what I would
13 call the consolidated Creditor Matrix motion filed at Docket
14 Number 4. I'm going to find that there's been proper notice
15 and service for purposes of today's hearing. I'm also going to
16 grant emergency consideration of this motion and I'll say I'm
17 going to grant emergency consideration for every other motion
18 that is before the Court today. I believe it's appropriate
19 under the circumstances, and I believe each of the motions that
20 will be requested today on the agenda are appropriate for
21 emergency consideration for the Court. So that statement will
22 carry for every motion.

23 The relief requested I think is important with
24 respect to the redaction of certain personally identifiable
25 information. I think making -- providing potential

1 opportunities for others to see it when appropriate is
2 appropriate under the circumstances. And I also find that the
3 proposed noticing procedures with respect to equity, it's just
4 appropriate. It's right under the law and it is practical. It
5 is made to achieve and provide the greatest amount of notice as
6 fast as possible to every holder of equity.

7 So I -- you look at the multiple forms in which the
8 debtor is proposing to reach out to holders of equity. Under
9 the circumstances, I don't think one could ask for more under
10 the circumstances. So I'm going to grant the relief requested.
11 Is the order at Docket Number 4 still the same one that you
12 want me to sign?

13 MR. FARFARA: Yes, please, Your Honor.

14 THE COURT: Okay. Thank you. It's signed and it's
15 off the docketing.

16 MR. FARFARA: Thank you, Your Honor. I will now pass
17 our microphone over to my colleague, Rebekah Presley.

18 THE COURT: Thank you. Great job.

19 MS. PRESLEY: Good afternoon, Your Honor. For the
20 record, Rebekah Presley from Latham & Watkins, proposed counsel
21 for the debtor.

22 THE COURT: Good afternoon.

23 MS. PRESLEY: You're -- good afternoon.

24 Your Honor, the fourth item on the agenda was the
25 claims agent retention application, which we saw Your Honor

1 entered this morning. Thank you. And with that, I will move
2 to agenda item 5, the customer programs motion, which is
3 located at Docket Number 6.

4 THE COURT: Okay.

5 MS. PRESLEY: By this motion, the debtors seek
6 authorization to maintain their customer programs and to pay
7 any prepetition obligations related thereto in an amount not to
8 exceed approximately 54.9 million. This amount consists of
9 approximately 46 million in non-cash performance obligations
10 and approximately 9 million in cash customer obligations.

11 Your Honor, the customer programs are essential to
12 the continued growth and satisfaction of the debtor's customer
13 base. And the debtor submits that maintaining their customer
14 programs and paying any prepetition amounts they're under is in
15 the best interest of the debtors estates and the maximized
16 value for all parties.

17 The U.S. Trustee has received this motion and we
18 believe the proposed order is acceptable to the U.S. Trustee.
19 No constituent has raised any other issues with respect to the
20 relief we are seeking in this motion.

21 The debtors believe that the requested relief is
22 consistent with relief previously granted in this district.
23 And unless Your Honor has any questions, the debtors would
24 request that the Court enter the proposed order.

25 THE COURT: Can you give me a couple of examples of

1 the types of customer programs that the debtor seeks to pay --
2 continue?

3 MS. PRESLEY: Sure. Your Honor, the customer
4 programs include prepaid advertisement sales, an agency of
5 record program, incentive deals, and prepaid events. In our
6 understanding, these are all very typical for large radio
7 scale -- large radio companies like Audacy.

8 THE COURT: Well, the purpose is to continue to
9 operate in the ordinary course and to allow the programs that
10 companies would -- that people would expect to be provided by
11 Audacy to allow to continue the goodwill. Do I get that right?

12 MS. PRESLEY: Yes, Your Honor.

13 THE COURT: Okay. Yeah. Anyone wish to be heard?

14 Okay. I'm going to consider the motion file, the
15 Docket Number 6, which I'll call the customer programs motion.
16 Proper notice and service has been provided. Relief requested
17 is appropriate under the circumstances and every case is
18 different, right? And so you got to look at every case and
19 consider what the customer programs and also the kind of the
20 type of case that you have, whether you have a free fall or a
21 prepack or a pre-negotiated or even a straddle. Every case is
22 different. And so the customer program motion in every case
23 has to be considered separately.

24 And I do find that under the circumstances that the
25 relief requested is a sound exercise of the debtor's business

1 judgment. And I'm going to find that the relief requested
2 today is appropriate. Take note of the support by the 1L and
3 the 2L groups that have spoken today and I will grant the
4 relief requested.

5 Is the order that you still want me to sign at Docket
6?

7 MS. PRESLEY: Yes, Your Honor.

8 THE COURT: Okay. Thank you.

9 MS. PRESLEY: Thank you, Your Honor. With that, I
10 will pass the virtual podium to my colleague, Ata Nalbantoglu.

11 THE COURT: Okay.

12 MR. NALBANTOGLU: Thanks, Your Honor. This is Ata
13 Nalbantoglu, for the record, of Latham & Watkins, proposed
14 counsel for the debtors.

15 THE COURT: Good afternoon.

16 MR. NALBANTOGLU: Good afternoon.

17 Your Honor, the next item on the agenda is a tax
18 motion, which can be found at Docket Number 12. By the tax
19 motion, debtors seek authority to pay their prepetition tax and
20 fees in the ordinary course, as well as any tax and fees that
21 accrue during these Chapter 11 proceedings. Debtors also seek
22 authority to amend the list of taxing authorities as may be
23 necessary and pay the service fees that have accrued
24 prepetition the debtors, third party payment processing
25 provider, global tax management, or GTM.

1 Your Honor, the debtors believe that they are
2 substantially current in a payment of assessed and undisputed
3 tax and fees. However, certain of these taxes and fees that
4 are attributable to this prepetition period have not yet come
5 due. The debtors estimate that this amount is approximately
6 \$1,330,000 that have accrued and remain unpaid as of the
7 petition date.

8 Your Honor, as mentioned before, to facilitate the timely
9 payment of these tax and fees, the debtors work with GTM. GTM
10 tracks, processes, and pays certain of these taxes and fees.
11 And we estimate that approximately \$90,000 in service fees have
12 accrued and remained unpaid as of the petition date.

13 Your Honor, it goes without saying that the payment
14 of these taxes and fees are in the best interest of the debtors
15 and their estates, and as well as the service fees, which
16 facilitate the payment of these tax and fees. If these -- if
17 we're delinquent on any of these payments, it could result in
18 fines, accrual of interest, or penalties, which we'd like to
19 avoid.

20 Your Honor, we have received no objections to this
21 motion on the docket and the United States Trustee's office
22 indicated that they had no comments to either the motion or the
23 proposed form of order. I'm happy to go into more detail or
24 answer any questions you may have, but otherwise we would
25 respectfully ask the Court to enter the proposed order.

1 THE COURT: Anyone wish to be heard in connection
2 with the taxes motion?

3 Okay. I'm going to grant the relief request. It's
4 taxes, you got to pay them. Things get expensive when you
5 don't, and the IRS and other state authorities will continue
6 and they'll show up a lot. So it's better to just pay them and
7 you got to pay them anyway. Especially when you're going to
8 have a case where you're going to unimpaired the trade. So it
9 makes a lot of sense. Great job. Thank you.

10 MR. NALBANTOGLU: Thank you very much, Your Honor.
11 We will be moving now onto the insurance motion, which is
12 located at Docket Number 13.

13 THE COURT: Thank you.

14 MR. NALBANTOGLU: Absolutely. By the insurance
15 motion, debtors seek authority to maintain their insurance
16 program in the ordinary course of business and to honor their
17 pre and post-petition insurance obligations. Additionally,
18 Your Honor, debtors believe that the renewal of or entry into
19 new insurance policies and the payment of any related premiums
20 there too, would be in the ordinary course of business.
21 However, that is request such approval and authority out of an
22 abundance of caution.

23 Your Honor, as listed in Exhibit A to the motion, the
24 debtors maintain a variety of insurance policies, and we
25 believe this -- the amounts and the coverage there is typical

1 of businesses in the debtors field. The debtor's insurance
2 obligations consist primarily of insurance premium payments,
3 deductibles, and broker fees. Taking each in turn with respect
4 to premiums, Your Honor, debtors renewed their insurance
5 policies on November 17th, 2023 for this upcoming year. And
6 the debtors have fully prepaid the insurance premiums under
7 these policies at the amount of approximately \$10 million.

8 Moving to deductibles, Your Honor, debtors estimate
9 that approximately \$410,000 in deductibles, relating to claims
10 that are outstanding, may come due during these Chapter 11
11 cases as of the petition date.

12 And lastly, turning to broker fees, as of the
13 petition date, the debtors do not believe that there are any
14 accrued and outstanding broker fees.

15 Your Honor, the maintenance of insurance coverage is
16 essential not only to the debtors continued operation, but to
17 their Chapter 11 objectives. It is thus critical that the
18 debtors have the authority to pay these insurance obligations
19 as they come due and make sure to administer the insurance
20 coverage as necessary. Again, we received no objections to the
21 motion on the record -- on the docket. I apologize. And we
22 have not received any comments to it from the United States
23 Trustee's office.

24 So I'm happy to, again, go into detail and answer any
25 questions. Otherwise we kindly ask the Court to agree to the

1 order, proposed order.

2 THE COURT: Anyone who wish to be heard?

3 Okay. Before the Court is consideration of the
4 insurance motion. It's important to maintain insurance. It
5 benefits the estate. The ability to continue your insurance
6 programs, especially during a Chapter 11 case is, quite
7 frankly, one of the U.S. Trustee guidelines. So it's important
8 to maintain insurance. It preserves value for the estate, the
9 sound exercise of the debtor's business judgment.

10 And I will grant the motion. And I will sign the
11 order at Docket Number 6 -- Docket Number -- excuse me, 13,
12 that's the one you still want me to sign?

13 MR. NALBANTOGLU: Your Honor, a quick amendment to
14 that point. We've filed a proposed form of order at Docket
15 Number 48. It also has an accompanying redline I think at
16 Docket Number 52. If you would kindly put that order forward,
17 that would be much appreciated.

18 THE COURT: I did that on purpose to make you see
19 what you were going to do there. It's good to point out that
20 there's an amended one before the judge gets out there and
21 signs it. So -- but great job. So now point me where you want
22 me to go. Where am I looking?

23 MR. NALBANTOGLU: Your Honor, I'll turn the virtual
24 podium over to my colleague, Deniz Irgi.

25 THE COURT: No, no. Tell me where the order is.

1 Tell me where the order is. The amended order is where?

2 MR. NALBANTOGLU: Oh. Your Honor, the amended order
3 should be Docket Number 48.

4 THE COURT: All right. Let's see if you're right.
5 You are right. Okay. There is a proposed order at 48 for me
6 to sign and there was a redline that is at Docket Number 52.
7 And I see that.

8 MR. NALBANTOGLU: Mm-hmm.

9 THE COURT: Okay. And it does look good to me. I
10 will sign the order at 48. Great job.

11 MR. NALBANTOGLU: Thank you very much, Your Honor.
12 With that, I will turn the virtual podium over to my colleague,
13 Deniz Irgi. Thank you.

14 THE COURT: Alrighty.

15 MR. IRGI: Good afternoon, Your Honor. Deniz Irgi,
16 Latham & Watkins, on behalf of the debtor. My presentation
17 will cover agenda items number 8 and 9, the debtors cash
18 management and all trade motions.

19 THE COURT: Okay.

20 MR. IRGI: Starting with cash management, that can be
21 found at Docket Number 8, Your Honor. By this motion, the
22 debtors seek authorization to maintain their existing cash
23 management system, continue engaging in certain intercompany
24 transactions in the ordinary course.

25 The debtors cash management system consists of 25

1 bank accounts, which are maintained at five different financial
2 institutions, all of which are FDIC insured and authorized
3 depositories in the Southern District of Texas. A list of
4 these bank accounts and the account balances as of the petition
5 date is in Schedule 2 to the motion that we filed.

6 As a general overview, the debtors maintain a
7 centralized cash management system, which revolves around a
8 main concentration account held by Debtor Audacy Capital
9 Corporation at KeyBank. Ultimately, all of the debtors
10 revenues generated from their regional operations, including
11 those cash receipts realized from the sale of accounts
12 receivable under the debtors receivable financing facility, are
13 deposited into this main concentration account. This is also
14 the same account that is used to fund disbursements on behalf
15 of the debtors through the several disbursement accounts at
16 KeyBank.

17 This centralized system is important for the debtors
18 because it allows them to track and maintain control over the
19 movement of cash in real time and efficiently manage receipts
20 and disbursements for their entire regional operations. We've
21 included a schematic showing the flow of funds in Schedule 1 to
22 the motion.

23 Further, Your Honor, I'll briefly note that we're
24 also seeking relief to continue certain intercompany
25 transactions among the debtors in the ordinary course. As

1 summarized in the motion, these transactions relate to the
2 centralized payment of business expenses, as well as certain
3 shared services arrangements, including those relating to
4 employee services. Continued access to these intercompany
5 services, as well as the debtors existing cash management
6 system, is critical to their day-to-day business functions and
7 ability to operate in the ordinary course during these cases.

8 Turning to the order, Your Honor, we did share with
9 the United States Trustee. We did receive some comments, which
10 have been incorporated in the version that was filed on the
11 docket. However, as Ms. Reckler previewed, we did receive some
12 additional comments from our lender group shortly before the
13 hearing, mostly related to consent and consultation rights.
14 And if it would be acceptable to Your Honor, we would propose
15 to resolve those in a file of revised form of order and redline
16 on the docket as soon as possible.

17 And subject to those changes, unless Your Honor has
18 any questions on the motion, we would respect that the Court
19 enter the cash management order when it's uploaded.

20 THE COURT: Let me just ask if anyone wishes to be
21 heard with respect to the cash management motion.

22 So let me just note then for the record, the Court
23 will consider the cash management motion. I did review the
24 motion. And the purpose of the cash management motion is to
25 allow the debtor to transition smoothly into the Chapter 11

1 process. If you start opening and closing too many bank
2 accounts on day 1, it's just going to wreak havoc and, you
3 know, money coming in, receivables and payables and employees
4 need to get paid. It's really to allow a smooth entry into the
5 Chapter 11 process while still observing U.S. Trustee
6 guidelines and the like.

7 So I've reviewed the proposed form of order. I think
8 I'm going to grant the motion. What I would ask is that before
9 you upload it, to the extent possible, that you share it with
10 Mr. Nguyen just so he gets a good look at it before it gets
11 uploaded. And then once it hits the docket, if you would just
12 email my case manager, Ms. Saldana, and we'll know that it's
13 there.

14 But I want to note that I am granting the motion
15 subject to final review of this. So I think any assurances
16 that the banks may need, you can certainly represent that I
17 have granted the motion. But I will make sure that I sign that
18 order today.

19 So if you need to kind of work on it, I don't care
20 what time you finish. If you can get it done today, let us
21 know and I'll sign it tonight if possible. Okay?

22 MR. IRGI: Thank you, Your Honor. And yes, we will
23 share it with the U.S. Trustee before uploading anything.

24 THE COURT: Okay. Thank you.

25 MR. IRGI: Thank you.

1 Next is the debtor's all trade motion, which can be
2 found at Docket Number 9. Under this motion, the debtors seek
3 authority to pay certain prepetition trade claims in the
4 ordinary course on the condition that such parties continue to
5 business with the debtors on customary terms.

6 The prepetition trade claims include various vendors
7 and service providers utilized by the debtors in their day-to-
8 day business. Notably, these include various programming
9 providers, including on-air talent, which are featured on the
10 debtors radio stations and other platforms.

11 The prepetition trade claims also include copyright
12 owners so that the debtors can lawfully broadcast musical
13 compositions and sound recording on their network. And there
14 are various other business side vendors that provide essential
15 services to the debtors, including marketing, sales, billing,
16 as well as various back end and IT support functions, all of
17 which are critical to the debtors operation.

18 As a general point, Your Honor, the debtors operate
19 in a highly competitive industry, and given the nature of their
20 business, any interruption, however temporary it may be, could
21 have a real impact on their operations and ability to attract
22 listeners and advertising revenues in the future. For that
23 reason, and with respect to today's relief, the debtors worked
24 with their advisors to tailor the relief on an interim basis to
25 what the debtors believe is necessary to preserve the status

1 quo and maintain a business as usual atmosphere until a final
2 hearing.

3 During the interim period, the debtors are only
4 seeking to pay trade claims as they come due in the ordinary
5 course. And importantly, the relief does not include any past
6 due amounts that have accrued prior to the petition date.

7 I would also just note, Your Honor, in the context of
8 this case, the relief we are seeking today should only affect
9 the timing of payments since the debtors proposed plan does
10 contemplate that all allowed general unsecured claims will be
11 paid in full. Our goal with this motion is just to bridge the
12 gap from now to a final hearing and ultimately through
13 emergence for those vendors that are critical to the business.

14 With respect to the form of order, we did receive
15 some comments from the U.S. Trustee, which we have incorporated
16 to the version that was uploaded at Docket Number 9. I would
17 note, Your Honor, that in the order, there are prepetition caps
18 for the various prepetition trade creditors that we are seeking
19 to pay. And if the debtors expect to exceed those caps for any
20 reason, we would be required to file a notice on the docket
21 with three advanced business days' notice to all parties.

22 With that, Your Honor, unless you have questions
23 about the order, we would respectfully request the Court grant
24 the all trade motion.

25 THE COURT: So where is the order that you want me to

1 review and consider?

2 MR. IRGI: That will be the order that we filed on --
3 at Docket Number 9. That is the original motion we filed. And
4 the order is attached to that.

5 THE COURT: Docket Number 9? You mean 15?

6 MR. IRGI: My apologies. If that's -- it should
7 be -- Let me pull it up. Yes, you're right, Your Honor. It's
8 Docket Number 15.

9 THE COURT: Okay.

10 MR. IRGI: I confused it with the agenda.

11 THE COURT: No, no. All good. I do it all the time.
12 I just want to make sure. And I have -- so I'm going to grant
13 the relief requested. Again, it just affects the timing. It's
14 really just going to continue. It's a really, I guess, very
15 friendly all trade motion compared to some that we see. So I
16 think the relief requested is appropriate, an exercise of the
17 debtor's business judgment here.

18 Well, I'm going to grant the relief requested. I do
19 understand and I appreciate that there are some caps here, and
20 I do appreciate that there'll be some notice if anyone exceeds
21 the cap. Although I will tell you, I may, if you fall a little
22 bit over the cap, I probably won't say much. If you know
23 you're going to, like, really run over the cap, it's just a lot
24 easier to file a quick motion and get me on 24 hours' notice,
25 or 48 hours' notice on something if you think it's going to,

1 like, really exceed the cap. But I'm not interested in
2 rounding errors. But I do want to make sure that -- and you'll
3 know, your gut will tell you. This is probably one we can get
4 in front of Lopez on short notice. But I will sign the order.

5 I'm going to set the final hearing on February 5th at
6 1 p.m. Central Time, and the objection deadline I'm going to
7 set for one week before, which is January 29th at 4 p.m.
8 Central Time. Okay?

9 MR. IRGI: Thank you. Thanks, Your Honor.

10 THE COURT: And so --

11 MR. IRGI: Did you want a self-letter revised form of
12 order or did you --

13 THE COURT: No, no, no, no, no, don't -- Marvin Isgur
14 will make fun of me if I can't type this in myself. So I'm
15 going to make sure I get this in. I've got it. It's going to
16 hit the docket now.

17 MR. IRGI: Thank you, Your Honor. With that, I'll
18 pass the podium to my colleague, Mr. Celentino.

19 THE COURT: Alrighty. Mr. Celentino, I think you may
20 be on mute. I don't know if I need to unmute your line. Why
21 don't you try it again. Let me see if I can -- there you are.

22 MR. CELENTINO: -- Your Honor?

23 THE COURT: I can hear you now. Good afternoon.

24 MR. CELENTINO: Good afternoon, Your Honor. For the
25 record, Joseph Celentino with Latham & Watkins, proposed

1 counsel for the debtors.

2 Your Honor, the next item on the agenda is item
3 number 10. That is the debtor's utilities motion, which we
4 filed a Docket Number 16. Your Honor, it will not surprise you
5 to learn that the debtors use electricity, water, sanitation,
6 other utility services. And to put it simply, we'd like to
7 continue doing so during the Chapter 11 cases.

8 More specifically, our utilities motion is seeking
9 approval of procedures regarding adequate assurance deposits
10 for our utility providers. We've sized those deposits, Your
11 Honor, based on our historical average utility bills over the
12 past year. And in total, we're proposing to deposit \$700,000
13 in an adequate assurance account for the benefit of utility
14 providers, and to establish procedures if the utility provider
15 believes that a greater deposit is needed.

16 In the meantime, Your Honor, under our proposed
17 order, utility providers would be prohibited from discontinuing
18 service on account of those adequate assurance amounts.

19 Finally, Your Honor, we're requesting authority to
20 pay an estimated 40,000 in prepetition fees to our utility
21 payment processor, True North, which coordinates the payment of
22 nearly 1,000 utility bills for the debtors each month. The
23 debtors shared our motion and proposed order with the Office of
24 the United States Trustee, and the UST had no comments.

25 We informally resolved a question that we received

1 this morning from one of our utility providers, Waste
2 Management, and no changes are needed to the proposed order
3 that is on file again at Docket Number 16-1.

4 So unless Your Honor has any questions for me, we
5 would ask that you enter the proposed order.

6 THE COURT: No. I'm going to just step on a limb on
7 this one, and I'm gonna grant the relief requested. I would
8 note for the record, Mr. Celentino, just the utilities motion
9 was an interesting motion back in the day where you -- back in
10 the day, you know, after the Code got amended, many folks made
11 you give the deposit to the utility provider, but it was really
12 hard to get back after the end of the case. So I do agree with
13 the proposed relief requested, which is to set up and provide
14 an account. Therefore, they know that they get the adequate
15 assurance that is required under the Bankruptcy Code.

16 And for those who are listening for the first time,
17 if without a procedure and without this deposit, utilities
18 would be allowed to discontinue service to the debtor. And
19 Congress has mandated that they be provided adequate assurance.
20 And a cash deposit is a statutory form of adequate assurance.
21 The procedures provided will allow a utility who believes that
22 they're entitled to more to have the opportunity to come back.
23 But this certainly provides some comfort that the light stay
24 on, that the internet continues, and that the trash will be
25 picked up and services, utility services will continue in the

1 ordinary course, and that no one can shut you off because a
2 bankruptcy case has been filed.

3 So the relief requested is appropriate. The proposed
4 adequate assurance under the Code -- that should say in the
5 motion, I believe, comports with the Bankruptcy Code. And I'm
6 going to grant the relief requested, but that is certainly
7 without prejudice to anyone who wants to come in and seek
8 additional relief.

9 But for purposes of today, this is a smart move, and
10 I'm granting the motion.

11 MR. CELENTINO: Very good. Thank you, Your Honor.

12 Your Honor, with that, the next item on the agenda is
13 item number 11, which is the debtors NOL motion. We filed that
14 at Docket Number 17.

15 As Your Honor heard during Ms. Reckler's
16 presentation, Audacy Inc. is a public company. We were
17 formerly traded on the New York Stock Exchange. We are now
18 traded over the counter. By this motion, the debtors are
19 seeking to establish procedures that will protect the potential
20 value of the debtors' consolidated tax attributes.

21 Here, those include consolidated net operating losses
22 and carry-forwards of disallowed business interest expense. We
23 estimate the NOLs here to be approximately \$218 million, and
24 the carry-forwards of disallowed business expense to be
25 approximately \$259 million. And during the hopefully short

1 tendency of these Chapter 11 cases, we do expect to generate
2 additional tax attributes. As I'm sure Your Honor knows, those
3 attributes are very valuable to the estate, and the global deal
4 that's embodied in our prepackaged plan and RSA assumes their
5 continued availability to the debtors.

6 And as Your Honor has no doubt seen in other Chapter
7 11 cases like this, these tax attributes could be lost or
8 greatly reduced if certain trading activity occurs during the
9 Chapter 11 cases. So to protect the debtors' estates from this
10 possibility, the proposed procedures are intended to impose
11 narrowly tailored restrictions and notification requirements
12 with respect to auditing stock.

13 I'll note for Your Honor that on an interim basis,
14 these procedures, the proposed procedures, are only binding on
15 those who receive notice of the motion. And we anticipate,
16 while we are seeking entry of a final order on our second day
17 hearing, or when Your Honor believes would be appropriate to
18 schedule that request for final relief.

19 Once the interim order is entered, Your Honor, the
20 debtors, in addition to mail and email service, anticipate
21 publishing a notice in the New York Times of the procedures.
22 And I would just note, before answering any questions that Your
23 Honor has, that we reviewed this pleading with the United
24 States Trustee prior to this filing, and we've incorporated
25 comments received from the Office of the United States Trustee

1 into our proposed order.

2 So with that, Your Honor, unless you have any
3 questions, we would ask that you enter the NOL -- the proposed
4 order attached to the NOL motion.

5 THE COURT: Anyone wish to be heard with respect to
6 the NOL motion?

7 Okay. The Court has considered what we will call the
8 NOL motion and the request for interim relief associated with
9 it. I think Mr. Celentino did a great job outlining the issues
10 and why the relief requested is important. It's a tax
11 attribute. It's important to the estate to preserve the NOLs
12 and the other tax benefits sought in connection with the
13 motion, the procedures. The Court has reviewed them, and they
14 are appropriate. They are customary for the type of relief
15 here. I believe that the relief requested is appropriate and
16 the limitations on an interim basis.

17 And so I'm going to grant interim relief here. I'm
18 going to set sound exercise of the debtor's business judgment.
19 And again, I think it does protect the estate, but it also
20 protects the rights of those who want to come into a final
21 hearing as well.

22 So again, I'm going to set the final hearing on
23 February 5th at 1 p.m. with an objection deadline of January
24 29th.

25 So I have granted that motion.

1 MR. CELENTINO: Thank you very much, Your Honor.

2 Your Honor, last one for me this morning is agenda
3 item number 12. That is the Debtor's FCC Ownership Procedures
4 Motion, which we filed at Docket Number 27. This is a motion
5 that probably comes up a little less frequently before, Your
6 Honor, but it is a familiar one in cases involving FCC
7 broadcast licenses.

8 As Ms. Reckler noted earlier, the debtors are radio
9 broadcasters, among other things, and so they hold broadcasting
10 licenses and are regulated by the Federal Communications
11 Commission, the FCC. Your Honor, with a debtor who has that
12 kind of business, effectuating any reorganization that
13 equitizes pre-sufficient debt, in connection with that, the
14 debtors are going to need to seek FCC approval of the
15 transaction. And we will need to comply with FCC rules
16 regarding equity ownership of the license holders, so the
17 equity holders of the reorganized debtors.

18 Here, Your Honor, our RSA provides that the debtors
19 have no more than 180 days following confirmation of the plan
20 to obtain FCC approval and emerge from bankruptcy. And in
21 order to get that approval, the debtors will need to complete
22 an FCC initial long-form application and disclose whether our
23 post-reorganization equity holders have certain features that
24 would trigger additional FCC review and approval.

25 As a first step, Your Honor, we need to make

1 disclosures about our post-reorganization equity holders at the
2 time that we file our initial FCC application. And since it
3 can take the FCC up to six months to process an application
4 like this, in order to keep that timeline, we need to submit
5 the application around our proposed confirmation hearing date.
6 This is a deadline for us, Your Honor, but we are specifically
7 targeting February 21 for submission of that application.

8 This motion proposes procedures by which we will
9 obtain from the future holders of plan securities, the future
10 reorganized equity holders of Audacy, the information that will
11 be needed to fill out that application. And the motion is
12 designed to ensure that assuming -- assuming Your Honor
13 confirms the plan and assuming that the FCC grants initial
14 approval, that reorganized Audacy will continue to comply with
15 FCC requirements upon the -- when the plan securities are
16 issued on the effective date.

17 I will note very quickly just three things, Your
18 Honor, before answering any questions you have. The first is
19 one I said already, which is that any reorganization of the
20 debtors that involves providing equity to prepetition debt
21 holders will require a motion like this, procedures where we
22 get the information needed to fill out our FCC application.

23 Second, and relatedly, I'll note for Your Honor, that
24 similar procedures to this were used in other radio
25 bankruptcies, specifically in this jurisdiction, in the iHeart

1 case. Our procedures are patterned off of that as well.

2 And finally, I'll just note, Your Honor, that we have
3 worked very hard on this motion over the last few weeks with
4 the first lien and second lien ad hoc groups. It has been the
5 subject of much thought and effort to make sure that these
6 procedures both get the debtors the information we need to meet
7 our regulatory requirements and ensure that first lien and
8 second lien lenders and noteholders have sufficient time to
9 provide the information that we require.

10 So with that, unless Your Honor has any questions
11 about these procedures, we would ask that you enter the
12 proposed order.

13 THE COURT: Anyone wish to be heard with respect to
14 the -- what I will call the FCC procedures motion?

15 Okay. Let me just check.

16 Again, I think Mr. Celentino hit the right tone on
17 this. This is certainly a very specific relief requested for
18 this type of case. But it's important, and the relief
19 requested is important. The procedures, I believe, are fair
20 and appropriate under the circumstances, and it's important.
21 Very important matters are addressed there.

22 But, again, with every motion in which you're asking
23 for emergency consideration, a lot of times people aren't here
24 and didn't find out about the hearing and may not have had an
25 opportunity to review the motion. So I do believe -- I take

1 these motions really seriously, and I read this one very
2 carefully last night and thought a lot about it. And I think
3 that the procedures are fair and they're appropriate under the
4 circumstances.

5 Again, every case is different. And just because you
6 have kind of a broadcasting case, you know, sometimes you grant
7 them, sometimes you don't. But I think in this case the relief
8 requested and the procedures are appropriate, and I'm going to
9 sign the order at Docket Number 27. So I'm going to grant it.

10 Mr. Celentino, I just have one question for you, and
11 that is that this --

12 MR. CELENTINO: Your Honor?

13 THE COURT: -- is a virtual hearing, and I'm sure a
14 Michigan man would have loved to have been in Houston today of
15 all days. You do research on me. I'm sure I do it on you too.
16 That's the lesson of the day. Judges do research on people
17 too, but we're having a virtual hearing. So it's an ugly day
18 in Houston, though, so -- but I'm sure you'll enjoy it from the
19 comfort of your home, and we'll see what happens.

20 MR. CELENTINO: Thank you, Your Honor.

21 THE COURT: Alrighty.

22 MR. CELENTINO: And yes, hopefully we'll get down to
23 Houston. Would have loved to be there today, but at some
24 point.

25 THE COURT: Alrighty. Anyway, where do we go next?

1 MR. CELENTINO: With that, I will actually be passing
2 the podium back to Ms. Reckler for the DIP motion.

3 THE COURT: Thank you. And before anyone reads too
4 much --

5 MS. RECKLER: Thank you.

6 THE COURT: Go ahead, Ms. Reckler. Let me just say
7 before anyone reads too much into my joke with Mr. Celentino,
8 my law school alma mater, University of Texas, is not competing
9 today, so thereby in no way am I rooting for anyone today or
10 showing any bias towards anyone. My school is out, but it's in
11 Houston. It was a friendly joke. I don't want anyone reading
12 anything into that.

13 So anyway, Ms. Reckler, I'll turn it over to you.

14 MS. RECKLER: Well, thank you, Your Honor, and I'll
15 just say for the record, go blue, because I am a Michigan alum
16 as well. Mr. Irgi, who you heard from earlier, is a Washington
17 grad, and so we've had a lot of debate about the game on our
18 side.

19 But Your Honor, I will turn to the DIP motion, which
20 was filed at Docket Number 18, and the interim order is
21 attached to that filing. I don't believe there have been any
22 changes that have been made. We did receive some comments that
23 I will read at the appropriate time into the record from a
24 landlord, but we have addressed that objection, informal as it
25 was, and our lenders, I believe, are on board with the

1 revision.

2 Your Honor, we are here today seeking approval of \$32
3 million in DIP financing and the use of cash collateral on an
4 interim basis. To start with a bit of a broader context, the
5 relief we're seeking here complements the relief that will be
6 sought in the post-petition securitization motion, and both are
7 essential to the debtor's ability to meet their liquidity
8 needs.

9 While the post-petition securitization program, if
10 approved, will provide the debtors with continued access to the
11 100 million financing, that is, in and of itself, not enough to
12 fund these cases. Only \$25 million of that would be new
13 financing, and the rest is just a continuation of already drawn
14 financing.

15 The DIP lenders currently consist of a subset of our
16 first-lien lender group. However, all of the first-lien
17 lenders will have the opportunity to participate in the DIP
18 facility if they so choose, and we've already heard from some
19 who do want to participate. And in any event, the full amount
20 will be backstopped by certain members of the first lien ad hoc
21 group.

22 Before I go too much further, I want to make sure I
23 note the evidentiary support for our interim DIP relief, and
24 Your Honor has entered those declarations. Again, they can be
25 found at Docket Numbers 19 and 20, respectively, and they were

1 the declarations of Mr. Evarts, our investment banker, and
2 Mr. Gray, our financial advisor. And Your Honor, I will be
3 referring to those declarations from time to time.

4 Your Honor, together, those declarations make clear
5 that the debtors have a real need for DIP financing in an
6 amount no less than \$32 million in addition to access to the
7 post-petition securitization program, and that can be found at
8 the Gray Declaration in Paragraphs 8 to 14. Entry into the DIP
9 represents an exercise of sound business judgment by the
10 debtors, and the terms of the DIP are reasonable and
11 appropriate under the circumstances, and that can be found at
12 the Evarts Declaration at Paragraphs 21 to 24.

13 The debtors could not obtain an alternate actionable
14 DIP on an unsecured or junior basis or otherwise on better
15 terms than the DIP facility to supplement the post-petition
16 securitization program, and that can be found in Paragraphs 18
17 and 19 of the Evarts Declaration.

18 The declarations also make clear that on an interim
19 basis, the debtors need immediate access to the full \$32
20 million of DIP and continued use of cash collateral. Without
21 belaboring the points in the motion or those declarations, in
22 the longer term, the DIP facility is critical to the debtors'
23 ability to implement the restructuring transactions
24 contemplated by the restructuring support agreement. And in
25 the short term, the interim relief we seek today is essential

1 to the debtors' continued operations and preservation of the
2 value of their assets while these cases are pending.

3 Notably, the debtors filed these cases with only
4 approximately \$33 million of cash on hand. Needless to say,
5 they would not be able to fund critical business expenses,
6 including payroll, using cash collateral and proceeds of the
7 securitization receivables alone. The DIP is not only
8 essential to fund ongoing operations and the cost of these
9 cases, it's the best and only actionable means for obtaining
10 the full amount of financing needed for the debtors to
11 successfully reorganize, which I understand is not before the
12 Court today.

13 Specifically, as discussed in the Evarts Declaration,
14 PJT undertook a marketing process to ensure that the debtors
15 were obtaining the best financing terms possible. As part of
16 that process, PJT solicited interest from six financial
17 institutions outside of the debtors' existing capital structure
18 and considered all potential financing options, unsecured
19 junior and senior financing.

20 Understandably, no party that PJT contacted was
21 interested in providing post-petition financing to the debtors
22 on an unsecured junior or senior basis, particularly
23 considering the risk and uncertainty attendant to a priming
24 fight with the debtors' prepetition secured funders. The
25 debtors believe that the proposed DIP facility is the best and

1 only actionable alternative financing currently available to
2 supplement the post-petition securitization program. And
3 again, that can be found in Paragraphs 18 and 19 of the Evarts
4 Declaration.

5 Turning to the terms of the DIP, Your Honor, I'll
6 start with the core economic terms. The DIP will bear interest
7 at an adjusted term SOFR plus 6 percent per annum in the case
8 of term SOFR loans and base rate plus 5 percent per annum in
9 the case of any base rate loans. The DIP also contemplates a
10 commitment fee of 2 percent and a back fee of 3 percent, both
11 of which will be paid in cash on the closing date of the DIP
12 facility, and if approved, that date would be tomorrow. The
13 fees will be deducted from the interim DIP financing.

14 The DIP does contemplate a prepayment penalty or
15 premium in the amount of 15 percent if any portion of the DIP
16 is repaid prior to maturity pursuant to a third-party sale, DIP
17 refinancing, or change of control, as set forth in the DIP
18 credit agreement.

19 Your Honor, turning to the order, I'd like to
20 highlight some of the critical points that we know Your Honor
21 and the other judges in this district have always found on an
22 interim DIP -- have always focused on in an interim DIP order.
23 We think we've addressed them all. As I've mentioned, there is
24 no roll-off for cross-collateralization contemplated under the
25 DIP facility.

1 The DIP liens do attach to substantially all assets
2 of the debtors on a priming basis, including the prepetition
3 first and second lien collateral. That priming, though, is
4 entirely consensual, and statutory and other existing liens
5 held by parties other than the first lien and second lien note
6 holders are not being primed. The debtors' lenders under the
7 RSA agree to this structure based on the adequate protection
8 package negotiated in the DIP order.

9 Both the first lien and second lien lenders will
10 receive, subject to the carve-out, replacement liens junior to
11 the DIP facility, superpriority claims to the extent of any
12 diminution in value of their collateral, which are junior-to-
13 the-DIP superpriority claims, and superpriority claims sought
14 under the post-petition securitization program order, payment
15 of the lender's advisor's fees and expenses, and certain
16 reporting and information rights.

17 Your Honor, the DIP contemplates liens on avoidance
18 action proceeds, as well as waivers of the 506(c) surcharge,
19 marshaling, and waiver of the 552 equities of the case
20 exception, but solely upon entry of the final order. And those
21 provisions can be found in Paragraphs 38, 39, and 40 of the
22 proposed order.

23 The DIP liens do attach to the proceeds of avoidance
24 actions in Section 549, Actions for Unauthorized Post-Petition
25 Transfers, but not to the actions themselves, and this language

1 can be found in paragraphs 6(e) and 6(f) of the interim DIP
2 order. Again, it's worth noting that liens attached to the
3 proceeds of avoidance actions only upon entry of the final
4 order.

5 The interim DIP order and DIP credit agreement do
6 contain certain case milestones, which would cause an event of
7 default under the DIP credit agreement, subject to any
8 extensions agreed to by the DIP lenders.

9 Specifically, as relevant to the complex case
10 procedures, the Chapter 11 milestones include that the debtors
11 will obtain approval of the interim DIP order no later than
12 three calendar days from yesterday, an entry of a final DIP
13 order by the earlier of 45 days from the petition date or entry
14 of the confirmation order. Next, there is the confirmation
15 milestone requiring the debtors to obtain entry of the
16 confirmation order 45 calendar days from the petition date.
17 And finally, Your Honor, there is an emergence milestone
18 requiring the plan to become effective no later than 60
19 calendar days from the petition date, which is subject to an
20 automatic extension to 180 calendar days after the entry of the
21 confirmation order, in the event the condition precedents to
22 effectiveness of the plan relating to the receipt of regulatory
23 approvals, most notably the FCC approval, has not been
24 satisfied within 60 days.

25 We worked together with the DIP lenders to negotiate

1 milestones that made sense for this prepackaged case, and also
2 to afford the debtors the time necessary to obtain FCC approval
3 to emerge from bankruptcy as planned.

4 With respect to exercise of remedies, the interim DIP
5 order provides that before the DIP agent can exercise remedies
6 against collateral, beyond simply terminating commitments,
7 accelerating debt, or charging default interest and the like,
8 it must file a stay-relief motion on at least five business
9 days' written notice. During this period, the debtors can also
10 petition the Court to seek non-consensual use of cash
11 collateral, which they can continue to use for critical
12 expenses during the notice period, regardless of whether they
13 file such a motion. And the relevant provisions in the DIP
14 order are Paragraphs 27(a) through 27(c).

15 And finally, Your Honor, we make sure that the
16 challenge provisions are consistent with the complex case
17 procedures. We do not think there's a need for a creditors'
18 committee in the context of this consensual prepackaged case,
19 which leaves general unsecured creditors unimpaired.
20 Nonetheless, the challenge deadline for any committee, if
21 appointed, will be 60 days from the date of such formation, and
22 the deadline, of course, can be extended prior to the
23 expiration consensually or by the Court, and 60 days following
24 the entry of the interim order for all other parties. The
25 proposed investigation budget for the committee, if appointed,

1 would be \$50,000. And the relevant paragraphs in the DIP order
2 are paragraphs 30 and 35.

3 And finally, Your Honor, we should note that we
4 shared the proposed form of order with the United States
5 Trustee, and we were able to address a comment raised by
6 Mr. Nguyen.

7 Your Honor, we'd ask that you enter the order unless
8 Your Honor has any questions.

9 THE COURT: Anyone wish to be heard with the DIP
10 motion?

11 MR. STAMER: Your Honor, this is Mike Stamer from
12 Akin Gump.

13 THE COURT: Yes, sir.

14 MR. STAMER: Your Honor, if I could be heard briefly,
15 it's really a scheduling issue more than anything.

16 THE COURT: Okay.

17 MR. STAMER: And if I'm wrong, I'll sit down very
18 quickly. Your Honor, we're not objecting to the interim of the
19 interim DIP order. As you heard debtor's counsel say, there
20 are two milestones that I'd like to address. One is the
21 deadline for the company -- for the debtors to confirm the
22 plan, which is 45 days, and the deadline for the final entry of
23 the DIP order. My understanding is that the tentative
24 confirmation hearing is to be set for February 20th, which is
25 well within both milestones. And based upon the conversations

1 we had had previously, it was our understanding that the final
2 DIP order would happen on the same day of the confirmation.

3 Your Honor, as you heard, the debtors are asking --
4 the lenders are asking the debtors to waive at the final
5 hearing what we think are potentially valuable claims under
6 506(c) marshalling in 552. And again, Your Honor, this should
7 be a completely consensual case.

8 But from our perspective, the second lien holders,
9 again, we're not objecting to the DIP. What we're talking
10 about is what we thought was an agreement where the final
11 hearing and the confirmation hearing would happen
12 simultaneously on the same day and not have the waivers that
13 are contemplated on the entry of the final order happen in
14 advance of confirmation if confirmation was happening within
15 the milestones.

16 THE COURT: Let me just see if anyone else wishes to
17 be heard.

18 MR. WILLIAMS: Your Honor?

19 THE COURT: Yes.

20 MR. WILLIAMS: It's Matthew Williams, Gibson Dunn.
21 Can you hear me?

22 THE COURT: Just fine. And I know that there's --

23 MR. WILLIAMS: Great.

24 THE COURT: -- before you start, I know there's
25 someone else. I'm going to just unmute your line. There's a

1 949. You don't need to say anything. I'm going to hear
2 counsel, and then I will turn to you. I see you there, and
3 I'll unmute your line in a second.

4 Go ahead, counsel.

5 MR. WILLIAMS: Yeah, yeah, I'll be very quick. At
6 least from our perspective, we agreed to milestones. And so
7 long as the date that the final hearing happens is within the
8 milestones we agreed to, that's fine. I don't think we're
9 agreeing by definition that the DIP order will, by definition,
10 be tied to confirmation to the extent confirmation were to be
11 kicked. But if we want to schedule it for a later date and the
12 debtor is amenable to that and we're within the milestones that
13 we negotiated, we certainly have no objection to that. That's
14 all I wanted to say.

15 THE COURT: Thank you.

16 There's a --

17 MS. RECKLER: Your Honor --

18 THE COURT: Just one second, Ms. Reckler. There's
19 someone here, and I just want to make sure that if they wanted
20 to be heard, they could be heard. There was a 949 number, and
21 I don't know if you were listening -- wanted to be heard.

22 MR. GREGER: Yes, Your Honor. Michael Greger of
23 Allen Matkins Leck Gamble Mallory & Natsis. I represent
24 Landlord 5670 Wilshire Owner LLC.

25 THE COURT: Okay.

1 MR. GREGER: Your Honor, I am not admitted to the
2 Texas Bar. I'm a California attorney admitted to the
3 California Bar, not admitted to the Southern District of Texas.
4 I would request authority for purposes of today's hearing to be
5 heard.

6 THE COURT: Absolutely. No problem.

7 MR. GREGER: Thank you, Your Honor.

8 Your Honor, I represent Landlord 5670 Wilshire Owner
9 LLC, and I didn't, unfortunately, hear Ms. Reckler read into
10 the record the compromise that we reached on the language of
11 the DIP order. I just want to make certain that it didn't get
12 missed.

13 MS. RECKLER: Your Honor, this is Caroline Reckler
14 for the record. I can read that language now or when we finish
15 the conversation about the scheduling. And from the debtor's
16 perspective, we are fine with having the DIP -- the final DIP
17 hearing, whenever the first lien or second lien lenders want,
18 so long as it's inside the milestone. And if that's on the
19 18th, that is no issue for us.

20 MR. STAMER: But is confirmation the 18th?

21 THE COURT: It's --

22 MS. RECKLER: We have a confirmation hearing
23 scheduled for -- excuse me, for February 20th.

24 MR. GREGER: Thank you.

25 MR. STAMER: Your Honor, if I could just add one more

1 thing --

2 THE COURT: Okay.

3 MR. STAMER: -- briefly, and that is we talked about
4 very lengthy, sometimes spirited negotiations that got us here.
5 This was actually a point that was negotiated. It was a hard
6 one. And, Your Honor, we were willing to take the risk that if
7 confirmation got pushed beyond 45 days, that the final DIP
8 order had to be done, you know, within the milestone. We think
9 it's completely contrary to the things we talked about, the
10 spirit and actually the words of the agreement we struck to
11 have the confirmation hearing in advance of -- the final DIP
12 hearing held in advance of the confirmation hearing if the
13 confirmation hearing is scheduled within the 45-day milestone.
14 I think what you've heard is there's no skin off of anyone's
15 nose if we push this to February 20th, and we think that's
16 consistent with what we agreed to with the parties.

17 THE COURT: Ms. Reckler, what are your thoughts?
18 Well, why don't you read in the statement for counsel, and then
19 we can talk. When I -- I should probably approve the DIP, and
20 then we can talk about final hearing. But --

21 MS. RECKLER: Thank you, Your Honor. I will read the
22 statement with 5670 Wilshire Owner LLC, and the language is as
23 follows. Notwithstanding any other provision in this interim
24 order or the DIP loan documents to the contrary, none of the
25 liens granted pursuant to this interim order or the DIP loan

1 documents shall attach to or encumber, and DIP collateral shall
2 not include that certain office lease dated June 4, 2004, as
3 amended, the "Wilshire lease", and any related storage leases
4 between 5670 Wilshire Owner LLC as landlord and Audacy
5 California LLC as tenant.

6 Any leasehold or other interest created by or under
7 the Wilshire lease or any related storage leases or any
8 security deposits or similar collateral, including any letter
9 of credit proceeds, held pursuant to such Wilshire lease or any
10 related storage leases, but such liens shall attach solely to
11 the proceeds of any disposition of the Wilshire lease and
12 related storage leases as applicable.

13 In addition, paragraph 19(d) of this interim order
14 shall not apply to the Wilshire lease or related storage
15 leases.

16 THE COURT: Counsel, it's been read into the record.
17 Any issues about that?

18 MR. GREGER: No, Your Honor. Thank you.

19 THE COURT: Thank you very much.

20 So with respect to timing for the final hearing, if
21 we had a final hearing on February 20th at 2:30 p.m., can the
22 parties confirm for me that that doesn't blow any milestone?

23 MR. STAMER: 45-day milestone, Your Honor.

24 THE COURT: I know. I just don't want to do the
25 math.

1 MR. STAMER: Well, I -- neither do I.

2 UNIDENTIFIED: Yeah, I don't either. I wasn't sure
3 how to --

4 MS. RECKLER: Your Honor, I believe that's 44 days.

5 THE COURT: Okay.

6 MS. RECKLER: So even I said 44 (indiscernible).

7 THE COURT: In other words, I'm signing this with the
8 understanding that I'm not creating a footfall. That's my --
9 that's what I wanted to make sure.

10 And with respect to an objection deadline, what do
11 the parties contemplate there?

12 MS. RECKLER: A week prior, Your Honor.

13 THE COURT: All right. We'll do that.

14 MS. RECKLER: The 13th.

15 THE COURT: I think that's fair. Okay.

16 Mr. Stamer, does that work?

17 MR. STAMER: Your Honor, that's perfect.

18 THE COURT: Okay. We'll then note before the Court
19 is consideration of an interim order for debtor in possession
20 financing. The Court -- based upon all the statements made,
21 this DIP is certainly -- should be granted. It's certainly a
22 sound exercise of the debtor's business judgment. Clearly,
23 plenty of negotiations have gone into this DIP, and it
24 satisfies the requisite standards under Section 364 of the
25 Bankruptcy Code.

1 And there's clearly a need for financing, and I'm
2 relying on the declarations in support of the DIP financing to
3 provide the evidentiary basis for that finding. The terms are
4 incredibly favorable for the debtor as well, and the interim
5 relief that is being provided certainly preserves rights for
6 parties on a final hearing, and so we're going to set the final
7 hearing on February 20th, 2024 at 2:30 p.m. with an objection
8 deadline of February 13th, 2024.

9 I'm going to note for the record that I'm signing
10 this order with the understanding that these dates don't blow
11 any or bust any milestones. It's not my intent to do so to the
12 extent, and it sounds like I did some Google calendar here, it
13 looks like it's 44 days, but to the extent that it's not, and
14 to the extent that we're wrong, I want somebody to come back
15 immediately, and I will amend the order to make sure that we --
16 it's not my intention to sign something that will create a
17 milestone default. But certainly I would just ask parties to
18 be conscious of that or work it out so that we can hold this in
19 connection with plan confirmations with no foot faults, as I
20 will call them, the legal term, the legal foot fault term.

21 So I will sign the order, and I will get this signed
22 on the docket.

23 MR. STAMER: Thank you, Judge.

24 THE COURT: All right, Ms. Reckler, where do we go
25 next?

1 MS. RECKLER: Your Honor, to my colleague out on the
2 West Coast, Mr. Mispagel.

3 THE COURT: Okay.

4 MR. MISPAGE: Good afternoon, Your Honor. Can you
5 hear me?

6 THE COURT: Just fine. Good afternoon.

7 MR. MISPAGE: Good afternoon. For the record,
8 Jeffrey Mispagel from Latham & Watkins, proposed counsel for
9 the debtors.

10 Next item on the agenda is the securitization program
11 motion. It's Agenda Number 14, Docket Number 21, and an
12 affidavit of service was filed at Docket Number 50.

13 Declarations in support of the relief sought by the motion were
14 filed at Dockets Number 19 and 20, and those are the same
15 declarations filed in support of the debt financing.

16 By the securitization program motion, the debtors
17 seek to continue and increase the size of their receivable
18 securitization program. This program consists of a few
19 different agreements and transactions that, taken together,
20 provide the debtors with low-cost liquidity. I'll provide a
21 very brief, high-level overview of those transactions.

22 Under a purchase and sale agreement, various debtor
23 entities, referred to as originators, sell their accounts
24 receivable automatically when generated to Debtor Audacy New
25 York, LLC. Audacy New York, LLC then sells or contributes its

1 receivables and those purchased from the other originators to
2 its wholly-owned, non-debtor special-purpose entity subsidiary,
3 Audacy Receivables, LLC. That happens under the sale and
4 contribution agreement.

5 Then, under the receivables purchase agreement,
6 investors provide funding to Audacy Receivables, LLC that is
7 secured by the receivables owned by that entity. There's also
8 a performance guarantee under which Debtor Audacy, Inc.
9 guarantees the performance of the originators under the other
10 documents.

11 By this motion, the debtors seek to enter into
12 various amendments to their prepetition securitization program
13 documents that will enable the program to continue post-
14 petition and that will provide for an increase in the
15 availability under the program from \$75 million to \$100
16 million. Due to the nature of the securitization program,
17 without an agreement from the agent to continue the program
18 post-petition, the debtors would lose access to the critical
19 liquidity provided by the program.

20 Fortunately, the debtors were able to reach an
21 agreement with the agent that will not only allow the
22 securitization program to continue post-petition but will also
23 increase the liquidity available to the debtors.

24 In addition, the amended documents contemplate the
25 securitization program continuing in place through the debtors'

1 emergence from bankruptcy. Under the proposed order, the agent
2 is granted liens on the debtors' receivables just in case any
3 post-petition sale or contribution of the receivables is
4 subsequently found not to constitute a true sale or a true
5 contribution. The proposed order also provides for the grant
6 of a lien on the debtors' equity interest in Audacy
7 Receivables, LLC, the non-debtor special purpose entity.

8 In addition, the proposed order provides for the
9 agent in Audacy Receivables, LLC to have superpriority claims
10 against the debtors, pari passu with the superpriority claims
11 of the DIP lenders that would cover any obligations of the
12 debtors under the securitization program.

13 Thanks to productive negotiations, there is
14 harmonization between the DIP facility and the securitization
15 program such that the scope and priority of claims and liens
16 have been agreed to among the debtors, the securitization
17 program agent, and the DIP lenders. The securitization program
18 also includes milestones to track those under the DIP facility
19 requiring entry of the interim order within three days of the
20 petition date and the final order within 45 days.

21 Your Honor, I'd be happy to answer any questions you
22 have regarding the securitization program or the proposed
23 order. Otherwise, I would respectfully request that Your Honor
24 enter the proposed order filed with the motion with Paragraph 1
25 updated to add in the date and time of the hearing and

1 objection deadline which can match those with respect to the
2 final DIP hearing.

3 THE COURT: Okay.

4 Does anyone wish to be heard with respect to the
5 securitization motion?

6 Okay. This is an interesting motion, but the relief
7 request that you got to breathe and understand kind of where we
8 are with respect to the case and the other relief that is
9 requested. So I think it made sense to use the DIP. You do
10 the DIP first and then come here, and you can kind of see how
11 it all fits together.

12 So the relief requested is appropriate under the
13 circumstances. The Court has already approved the DIP motion.
14 This is going to -- it's another form of financing, but it's
15 also in the best interest of the estate. I'm relying on the
16 declarations which provide the evidentiary basis for the relief
17 requested.

18 The debtors are just being commercial here and
19 understanding kind of where they are, the additional liquidity
20 needs, and how and when it's going to find additional liquidity
21 to kind of get through the Chapter 11 process. So kind of look
22 at where the debtor is and what the debtor is hoping to
23 accomplish in Chapter 11 and that this was kind of already in
24 place. And so this is just debtor knows how to do this and
25 operate this. The relief requested is appropriate.

1 I take comfort that the debtor, this was kind of part
2 of something that was already in place and alleviates the
3 concerns about, you know, kind of hiccups that could happen
4 going really fast in a Chapter 11 case. But I'm comfortable.
5 I think 364 is approved. The relief requested is certainly
6 needed under the circumstances, and I'm going to grant the
7 relief requested.

8 Counsel mentioned that we're going to go. I just
9 want to confirm what we're using as the final now for this one.

10 MR. MISPAGE: Yes. So for this one, we can use the
11 same as the DIP, which is February 20th at 2:30 p.m. for the
12 hearing.

13 THE COURT: Okay. You have --

14 MR. MISPAGE: And the week before that.

15 THE COURT: You have learned kind of the first rule
16 of reading Lopez, which is remind him of the dates that he said
17 he would give you. That is really smart. Other than that, I
18 like giving them, I'm really hard remembering them. I don't
19 know what it is about me. Let's see, 2:30 p.m. And then the
20 objection deadline, we're going to go February 13th, right?
21 One week before. Okay.

22 I have signed that order, and it is off to docketing.

23 MR. MISPAGE: Thank you, Your Honor.

24 Next item on the --

25 THE COURT: Go ahead.

1 MR. MISPAGEL: The next item on the agenda is the
2 employee wages motion. This is Agenda Number 15 and Docket
3 Number 22. And same affidavit of service was filed at Docket
4 Number 50.

5 Your Honor, the debtor's employees are the lifeblood
6 of the business, and by this motion, the debtor seeks to
7 continue to compensate employees and other members of the
8 workforce without any disruptions and to maintain employee
9 benefits programs post-petition. The debtors do not, by this
10 motion, seek to pay any bonuses, retention payments, or
11 severance to insiders, and the proposed order is clear about
12 that.

13 The debtors do seek to continue paying all of those
14 to non-insiders in the ordinary course, including the
15 continuation of a retention program for non-insiders
16 contemplated by the restructuring support agreement.

17 Due to these cases being filed only a week into the
18 new year, the debtors have not yet been able to determine the
19 amount of many bonuses and commissions earned during the
20 monthly, quarterly, and annual period ending on December 31st.
21 As a result, there are quite a few employees with claims
22 exceeding the statutory priority cap, all of whom are non-
23 insiders, and the debtors seek to pay such amounts.

24 The proposed order, which reflects discussions with
25 the U.S. Trustee and which we believe is acceptable to the U.S.

1 Trustee, provides parties with an opportunity to object to
2 certain of the relief, including payments exceeding the
3 priority cap, without disrupting the timing of employees
4 receiving compensation when expected.

5 I'd be happy to answer any questions that Your Honor
6 may have. Otherwise, I respectfully request that the Court
7 enter the proposed order attached to the motion.

8 THE COURT: Yeah. So what did you mean by you
9 believe you reached comments with the United States Trustee?
10 What exactly? Has there been any change to what's been
11 proposed in the order, or what are you all proposing?

12 MR. MISPAGEL: So no changes to what was filed, Your
13 Honor. We discussed with the U.S. Trustee before the motion
14 was filed, before the order was filed, and we believe that the
15 order that was submitted reflects those discussions.

16 One of the key points is the payment of those
17 employees who have prepetition claims exceeding the statutory
18 priority cap and giving any parties that wish to object to that
19 as much notice as possible under the circumstances. And the
20 order has a few bespoke provisions that break up the payments
21 under the cap into a few different buckets and provide notice
22 periods for each one. It will allow those to be paid in the
23 ordinary course on their expected time.

24 THE COURT: Where is the docket number for this
25 motion is what?

1 MR. MISPAGEL: Docket Number is 22.

2 THE COURT: 22. I see it. I read it last night.

3 Let me read it again to make sure we're all good.

4 MR. MISPAGEL: Specifically, Paragraph 8 of the
5 order, Your Honor, is the one addressing payments over the
6 priority cap.

7 THE COURT: Okay.

8 I'm going to grant the motion. I think the relief
9 requested is appropriate, and I think in light of where this
10 case is and all trade getting paid, I think the relief
11 requested is appropriate.

12 I do understand and I do appreciate the comments that
13 the trustee has made. It is not -- I should say, you know,
14 every Chapter 11 case where, you know, I would grant this
15 relief. And so I don't want anyone to, you know, cite In re
16 Audacy, you know, in a first date motion before me in another
17 case. But you've got to look at every case and kind of where
18 it is and what the facts are. And I do believe that the relief
19 requested is appropriate.

20 I see some Audacy executives still on the line. I
21 appreciate it. This is, to me, the most important motion of
22 all the things that we've heard today because real people are
23 affected by this one, are impacted by it the most. You know,
24 rent was just due. You know, people have insurance, and they
25 get really nervous when a company files. And I want to make

1 sure that you have the comfort to tell people that they're
2 going to get paid for the work that they've done and the work
3 that they will continue to do.

4 And I need you to -- I want -- that's just really
5 important because real life is happening out there. And not
6 everyone understands everything, but understanding the comfort
7 to know, may not understand the technical intricacies of what's
8 happening today or what is being proposed, but just some
9 comfort to know, you know, that if you worked some overtime or
10 if you got some vacation that you can take it or if your, you
11 know, child got sick that you can take them to the doctor and
12 that this is not going to be affected is incredibly important
13 to bankruptcy judges and especially this one. So I want to
14 make sure that you have the comfort to go out there.

15 There are some non-insiders, and again, I stress non-
16 insiders who I understand have earned some performance bonuses.
17 And I think giving people 14 days to come in and say that they
18 disagree, what some of those amounts being paid I think is
19 fair. It's providing due process for anyone who wants to come
20 in and be able to file an objection to the relief requested.

21 I take some comfort. I already approved that general
22 and secure creditors can be paid. But, again, normally what is
23 approved on a first day is an amount for employees subject to a
24 congressional statutory cap for priority. It doesn't mean they
25 weren't going to get paid. This is really just a timing motion

1 for everyone. So I take comfort with where we are.

2 But, again, every case is different. You've got to
3 look at the facts and circumstances of every case. It is
4 granted today. There is no guarantee that I don't make someone
5 come back at another time in connection with another case. But
6 I'm looking at where this case is. The funding, the large
7 consent that I see here, and some folks who have real skin in
8 the game are here, and they are supporting the relief
9 requested.

10 And so I'm going to grant the relief requested in the
11 motion. And I'm going to sign the order.

12 MR. MISPAGEL: Thank you, Your Honor.

13 Finally, Your Honor, we have the last item on the
14 agenda, the solicitation procedures motion. It's Agenda Number
15 16, Docket Number 23, and affidavit of service was filed at
16 Docket Number 50.

17 So as Your Honor knows by now, the debtors commence
18 solicitation of votes on a plan of reorganization prior to
19 filing these cases. The disclosure statement used for that
20 solicitation process was filed at Docket Number 25, and the
21 plan was also filed separately at Docket Number 24.

22 Before getting into the relief sought by this motion,
23 I will just note that the U.S. Trustee reviewed the motion
24 prior to filing and had one comment, which we reflected in the
25 opt-out form for non-voting classes, making clear that opting

1 out of the releases will not impact any distribution that those
2 are entitled to receive under the plan.

3 THE COURT: I saw it.

4 MR. MISPAGEL: Your Honor, this motion seeks a
5 variety of relief, which is summarized in a list on the first
6 few pages of the motion. The motion also includes a chart of
7 proposed dates and a chart of the exhibits attached to the
8 proposed order.

9 I'll address the scheduling aspects first. The first
10 piece of relief sought is the scheduling of a combined hearing
11 to consider confirmation of the proposed plan, as well as final
12 approval of the disclosure statement. The date we've asked for
13 that hearing to be scheduled is Tuesday, February 20th. And as
14 we understand from our co-counsel reaching out to your case
15 manager this morning and from a few of the other motions
16 earlier in this hearing, we understand that Your Honor has that
17 date available, and so we would ask that Tuesday, February 20th
18 at 2:30 p.m. also be the combined hearing for confirmation of
19 the plan and final approval of the disclosure statement.

20 The other dates are related to that date. We seek to
21 establish Monday, February 12th as the deadline for parties to
22 object to the plan and disclosure statement. That date is 32
23 days after the debtors proposed to provide notice of the
24 combined hearing, which complies with applicable rules. Other
25 dates include the debtors filing an initial plan supplement on

1 February 5th, which is seven days prior to the confirmation
2 objection deadline, or the proposed objection deadline, with
3 any supplemental plan supplement to be filed at least one day
4 before the combined hearing.

5 Debtors also propose to file a proposed confirmation
6 order seven days prior to the objection deadline and to file
7 any briefs in support of confirmation order five briefs by
8 February 16th. And finally, the debtors seek approval of
9 Monday, February 12th, as the voting deadline, which is 38 days
10 after the debtors commence solicitation.

11 And I'll pause there in case Your Honor would like to
12 discuss any of those dates before I move on.

13 THE COURT: Nope.

14 MR. MISPAGEL: The next, Your Honor, by this motion,
15 the debtors seek conditional approval of the disclosure
16 statement to the extent required in order for the debtors to
17 solicit votes post-petition from any holders of claims who are
18 not eligible to be solicited prepetition.

19 Under the plan, creditors in both of the voting
20 classes will be receiving securities, and as a result, and as
21 is common in straddled prepackaged cases, the ballots require
22 that any holders submitting a ballot prior to conditional
23 approval of the disclosure statement certify as to its status
24 as an eligible holder.

25 One thing I want to be clear about is that

1 conditional approval of the disclosure statement for the
2 purpose of continuing solicitation post-petition will not
3 prejudice the rights of any party to object to the disclosure
4 statement or the adequacy of the information contained therein
5 at the combined hearing.

6 Next, Your Honor, the debtors seek by this motion
7 approval of various forms, ballots, and notices, each of which
8 is attached to the proposed order. These include the ballots
9 that were sent to members of the voting classes prepetition, a
10 cover letter that was sent to Class 5 note holders, along with
11 the other solicitation materials, a notice of non-voting status
12 and release to opt-out form that the debtors proposed to send
13 to members of non-voting classes, and the combined notice which
14 the debtors proposed to send to provide both notice of the
15 commencement of these cases and notice of the combined hearing.

16 Finally, the debtors seek by this motion that the 341
17 meeting not be scheduled within the first 60 days of the case
18 and that the debtors not be required to file schedules and
19 statements within the first 60 days of the case. The debtors
20 proposed schedule contemplates a confirmation hearing on the
21 44th day of the case for a plan that leaves general unsecured
22 creditors unimpaired. So the debtors believe that this relief
23 with respect to the 341 meeting and the schedule of
24 statements -- schedules and statements is appropriate under
25 these circumstances.

1 Be happy to answer any questions that Your Honor may
2 have regarding this motion or the proposed order, and would
3 otherwise respectfully request that the Court enter the
4 proposed order filed with the motion with the one change of
5 adding in the hearing time of 2:30 p.m. on February 20th.

6 THE COURT: Anyone wish to be heard in connection
7 with this motion?

8 Okay. Before the Court is consideration of motion
9 seeking various relief requested in connection with a
10 confirmation hearing. It was filed at Docket Number 23.

11 The Court is going to find that emergency
12 consideration of this is appropriate and relief requested is
13 appropriate as well. This is what I would consider very much a
14 procedural motion seeking to establish dates. The one semi
15 material and substantive point really has to do with -- well,
16 two. One with the conditional approval of the disclosure
17 statement which under section 1125 of the Bankruptcy Code
18 requires at a minimum adequate information but that's really
19 scheduled for the final hearing. What parties are asking is to
20 solicit and essentially run the risk that someone could come in
21 on the final and make all those objections on a final basis.

22 But I still, as the Court, believe it's important for
23 me to review it and see it on its face whether there's at least
24 a modicum of adequate information on its face. And I do. I've
25 reviewed the disclosure statement, every page of it, and I do

1 find that on its face there's adequate information there for --
2 to allow parties to make an informed decision to whether to
3 vote to accept or reject the plan.

4 Again, that's subject to a full final hearing there.
5 But I am comfortable that knowingly there's good information,
6 plenty of good information in there and that would satisfy a
7 disclosure statement but again everyone's rights are preserved
8 on that point.

9 I'm going to find that the proposed dates, the
10 proposed noticing procedures, the proposed publishing are
11 appropriate. I really want to thank the United States Trustee
12 for taking -- I know they read a lot these days and I very much
13 appreciate all the work that they do here. So I've reviewed
14 the ballot and the proposed tweaks to the ballot and the opt-
15 outs and I reviewed the form of ballots here and the
16 solicitation procedures. And I do find that they're
17 appropriate. I also think the dates work as well.

18 So I'm going to approve the scheduling motion and I
19 have added in the dates there and they work. And I will get
20 that signed and get it on the docket.

21 MR. MISPAGEL: Thank you, Your Honor.

22 And Your Honor, that was the last item on our agenda.
23 We'd like to thank you for your time today and we look forward
24 to seeing you at the next hearing I guess is February 5th.
25 Looks like there may be others who would like to speak before

1 the hearing concludes.

2 THE COURT: Okay, yeah. Let me just open it up.

3 Anyone else wish to be heard? Let me just check.

4 Well, I will just thank everyone. It really -- I
5 know a lot of work goes into first day motions and into the
6 declarations and all the graphics that go into it. I really do
7 find it incredibly helpful. Helps me get very prepared for the
8 hearings. I thought they were incredibly well done. I very
9 much thank everyone who worked on this motion. It's clear that
10 there's been a lot of work that has gone on behind the scenes
11 to reach such consensus on a first day hearing.

12 So thanks to all those who presented. Thanks to all
13 those who didn't present today but had a hand in making sure
14 that today went well for all the parties involved, for the
15 lender parties and for the debtor parties as well.

16 And for those who may have been wondering, yes, I do
17 think it's incredibly important for young lawyers to have the
18 opportunity to appear in court. I think they did a fantastic
19 job. You set up a standard for yourselves. Now I know who you
20 are. And you've got to be as -- you know, the trick is you've
21 got to be as prepared as you were today every time you stand
22 up. And that is going to be the challenge for everyone paying
23 attention. That's what the greats do.

24 So that being said, is there anything else we need to
25 take care of today or talk about?

1 MS. RECKLER: No, Your Honor. Thank you again for
2 your time.

3 THE COURT: Okay. Alrighty, folks. I will -- the
4 orders should be hitting the docket now. Thank you very much.
5 Have a great day.

6 MR. STAMER: Thank you, Judge.

7 MS. RECKLER: Thank you.

8 (Proceedings concluded at 1:59 p.m.)

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C E R T I F I C A T I O N

15

16 I, Alicia Jarrett, court-approved transcriber, hereby
17 certify that the foregoing is a correct transcript from the
18 official electronic sound recording of the proceedings in the
19 above-entitled matter.

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Alicia J. Jarrett

ALICIA JARRETT, AAERT NO. 428

DATE: January 12, 2024

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